

Selected Criteria for Inter-Governmental and Non-Governmental Groups

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Prepared for the "Forging New Links: Promoting and Protecting Human Rights and the Environment" Roundtable held in San Francisco, CA, on January 14, 1999.

1. United Nations Environment Programme (UNEP):

These <u>guidelines</u> were developed to be of use to industry, governments and NGOs in the development and implementation of voluntary initiatives. This effort builds upon UNEP's on-going consultations with industry, government and NGOs and review of existing codes, since the 1992 Earth Summit.

2. International Center for Human Rights and Democratic Development (ICHRDD)

In a comparative study of labor and human rights standards in Canada and the United States, Craig Forcese of the ICHRDD sets forth several principles for evaluation and development of codes to protect the human rights of employees.

- All groups involved should be able to participate in the on going process to augment and improve the codes;
- Administrative procedures of the code are to be transparent;
- All interested parties are to actively participate in the administration and regulation of these codes (make sure they are being complied with);
- The government will play a participatory role in the administration of the codes to the end that this will give credibility;
- These codes will address all activities of a company, and all sectors of each industry;
- Sanctions/"punishment" are an option not only in the case of non-compliance by an employee, but also in cases of non-compliance by the company or its subsidiaries;
- The public will be informed regarding everything related to the augmentation and improvement of the codes, the procedures for filing a complaint, respect for the code and identified violations;

types of sanctions and corrective response;

- Annual reports to be published that deal with the application and success/failure of the codes are to be made available to all interested parties;
- Everyone will be kept apprised of possible sanctions for non-compliance;
- The code and the public documents will be formulated in clear and concise language.

Certain norms should also be included in these codes that pertain directly to respect of international human rights:

- Freedom to associate and the right to organize for collective negotiations; All employees should have the right to organize according to their choice without having first to obtain authorization from the employer. Employees should also have the right to organize and negotiate without repercussions.
- Non-discrimination; All employees should not be subject to discrimination based on race, color, nationality, sex, religion or other beliefs, political or other opinions. Discrimination based on sexual orientation may also be added to this list.
- Regulation of child labor; All employees should not be younger than 14 years old or younger than the legal working age in the cases where the age is above 14 years old. The OECD is also very concerned with the "exploitation of child labor"; in fact, this should be the subject of an entirely separate international convention.
- Regulation of forced labor; All employees should not be forced to work for the employer nor forced to manufacture objects used solely by the company;
- Right to health and safety at work; All employees should work under good hygienic conditions, in a safe environment, and should not be exposed to factors or elements that put their health or life at risk.
- Fair salary; Salaries and wages should, even at their minimum rates, permit the employee to meet his/her basic needs and livelihood. Employees should not earn less than the legal minimum wage, even if the legal wage is higher than what is needed to meet basic needs.
- Regulation of hours worked as well as over-time; Salaried employees should not work more than a 48 hour week, except in special circumstances, and then only under the condition that they will receive appropriate compensation for over-time.

3. Proposal Under Discussion by NGOs in Preparation for the U.N. Commission on Sustainable Development (CSD 6):

[URL: http://www.un.org/esa/sustdev/csd.htm]

- Substance (content and language)
- Inclusiveness (participation of stakeholders)
- Motivation (incentives for compliance)
- Integration (social and environmental values in measure of success)
- Transparency (independent monitoring, reporting)
- Credibility (verification and related methods)
- Accountability (degree of liability/responsibility to comply)

Additional criteria were agreed upon in the 19th Special Session:

- Efficiency (minimizing the economic costs of achieving desired impacts)
- Equity (distributional effects)
- Acceptability (political considerations)
- Legitimacy (credibility issue)
- Participation (number and scope)

4. Organization for Economic Cooperation and Development (OECD) - Draft Corporate Governance Guidelines:

[URL: http://www.oecd.org]

Though primarily aimed at governments, the guidelines will also provide guidance for stock exchanges, investors, private corporations, and national commissions on corporate governance as they elaborate best practices, listing requirements and codes of conduct. The draft guidelines will be considered by the OECD ministers at a meeting in May 1999. The guidelines were drafted under supervision of the Secretary General and cover five (5) broad headings:

- Rights and responsibilities of shareholders the corporate governance framework should promote and protect shareholders' rights.
- Role of stakeholders in corporate governance the corporate governance framework should recognize the responsibility of the corporation to stakeholders and society at large, and encourage active cooperation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprise.
- Equitable treatment of shareholders the corporate governance framework should ensure the equitable treatment of all shareholders including minority and foreign shareholders. All shareholders should have the opportunity to obtain effective redress for violation of their rights.
- Disclosure and transparency the corporate governance framework should ensure that timely and accurate information is disclosed to shareholders and the public, on all material matters regarding financial situation, performance, ownership, and governance of the company.
- Duties and responsibilities of the boards the corporate governance framework should ensure the effective oversight of the company by the board and the accountability of the board of shareholders.

5. The New Directions Group (Canada):

New Directions is a multi-stakeholder group that was formed to conduct a review of voluntary initiatives in Canada. The following criteria for effective voluntary initiatives have been suggested by the Group. Voluntary initiatives should be:

- Participatory in their development and implementation
- Transparent in their design and operation
- Performance based (specific goals, measurable objectives, milestones)
- Specific regarding rewards or consequences for good or bad performance
- Flexible (encourage innovation to meet goals/objectives)

- Clear regarding monitoring and reporting requirements
- Able to verify performance of all participants
- Encouraging of continual improvements

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